

FRESNO COUNTY ECONOMIC FORECAST

Fresno County is the most productive agricultural county in the Nation. In each of the last three years total crop value has exceeded \$4 billion. Fresno County has a population of 892,300 people and over 338,000 wage and salary jobs. The per capita income in Fresno County is \$25,759, and the average salary per worker is \$37,418.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the San Joaquin Valley grew at a robust pace of 2.3 percent. In 2005, 5,300 total wage and salary jobs were created in Fresno County, representing a growth rate of 1.6 percent. Non-farm employment grew at a rate of 2.0 percent. The unemployment rate increased to 11.8 percent in 2005. This high unemployment rate is due to the large concentration of farm employment in the county, at more than 13 percent of total employment.

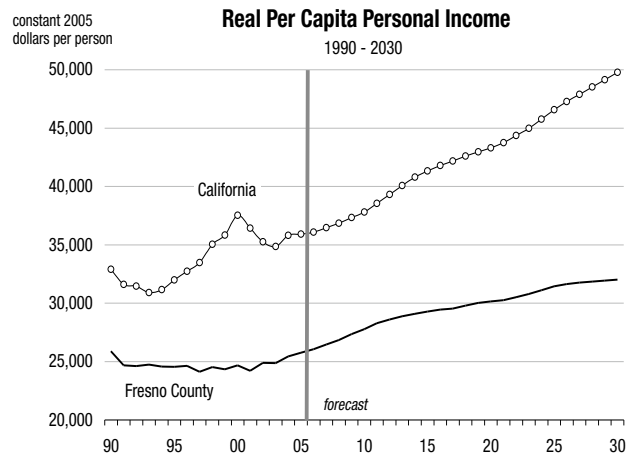
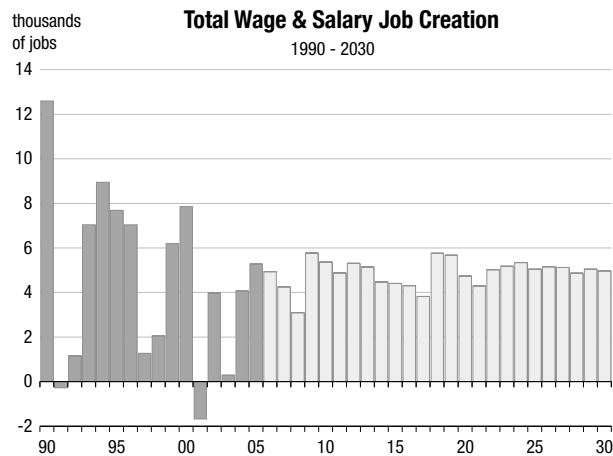
The principal sectors that are producing jobs in Fresno County are professional services, and construction. The construction sector created the most new jobs in 2005, due to significant housing production in the county. Employment has also been increasing in the leisure services, healthcare and education, and wholesale and retail trade sectors.

The population continues to grow in Fresno County, and the growth rate remains high at 1.8 percent. The neighboring cities of Clovis and Fresno account for 62 percent of the county population and combined for 67 percent of the population growth from January 2005 to January 2006.

Employment and population growth will continue at healthy rates in Fresno County over the next several years because inland counties will dominate growth in the state due to the relative affordability and higher production of housing.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to decline to 1.5 percent in 2006, while non-farm job growth increases to 2.2 percent. From 2006 to 2010, farm employment will continue to decline, while non-farm job growth averages 2.0 percent per year.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 2.4 percent per year over the next 5 years.
- Real per capita incomes are forecast to rise 1.2 percent in 2006. Over the next five years real per capita incomes are forecast to increase 1.5 percent per year.

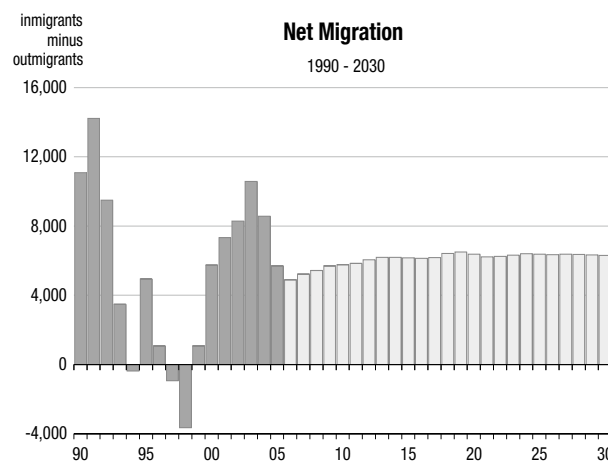
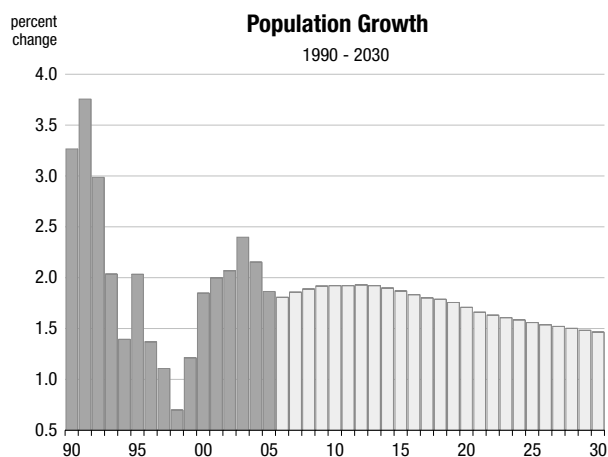


- Between 2006 and 2010, employment growth will be dominated by job creation in professional services, leisure services, retail trade, government, and healthcare and education. These sectors account for all of the net jobs created in the county over the next five years.
- The population will continue to grow at a significant rate in the county. Annual growth in the 2006 to 2010 period averages 1.9 percent per year.
- Net migration will contract to approximately 4,900 people in 2006. Over the next five years net migration is expected to average 5,400 net migrants entering the county per year.
- Industrial production is forecast to rise 2.5 percent in 2006. Over the next five years the growth rate of industrial production will decline, with total production advancing an average of 2.0 percent per year.

Fresno County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	774,838	-939	520.1	249.5	2,756	\$6.8	\$14.8	\$24,124	3.4	4.3	3.2	13.6
1998	780,261	-3,651	546.8	251.8	3,034	\$7.1	\$15.6	\$24,518	3.2	4.0	3.3	14.3
1999	789,748	1,073	562.9	254.3	3,032	\$7.8	\$16.3	\$24,330	4.2	4.2	3.6	13.6
2000	804,341	5,743	579.6	252.9	3,196	\$8.5	\$17.6	\$24,673	4.5	3.7	4.0	10.5
2001	820,422	7,342	596.6	255.1	3,963	\$8.6	\$18.6	\$24,210	5.4	3.4	3.6	10.7
2002	837,409	8,297	627.5	258.4	3,839	\$9.0	\$19.8	\$24,888	1.6	3.6	3.9	11.6
2003	857,506	10,580	636.0	261.6	5,999	\$9.7	\$20.7	\$24,860	1.8	4.2	4.3	11.7
2004	875,973	8,569	683.0	265.9	6,950	\$10.7	\$21.8	\$25,425	1.2	4.8	4.7	10.4
2005	892,325	5,706	712.1	271.9	7,617	\$11.4	\$23.0	\$25,759	2.0	4.5	4.8	11.8
2006	908,468	4,909	724.3	279.3	6,758	\$12.4	\$24.3	\$26,056	2.7	4.2	4.9	11.1
2007	925,355	5,231	739.1	285.7	6,736	\$13.2	\$25.7	\$26,454	2.1	4.3	5.0	11.3
2008	942,837	5,440	755.9	292.2	6,632	\$14.1	\$27.1	\$26,832	2.3	4.0	5.1	11.5
2009	960,931	5,699	773.4	298.5	6,505	\$15.1	\$28.8	\$27,337	2.2	4.2	5.2	11.5
2010	979,416	5,776	790.5	304.7	6,944	\$16.2	\$30.5	\$27,771	2.4	4.2	5.2	11.5
2011	998,243	5,847	805.6	311.3	6,965	\$17.3	\$32.4	\$28,271	2.3	4.1	5.4	11.6
2012	1,017,510	6,060	818.2	318.0	6,768	\$18.4	\$34.1	\$28,603	2.1	4.1	5.6	11.7
2013	1,037,089	6,193	828.3	324.5	6,713	\$19.5	\$35.9	\$28,869	2.2	4.2	5.7	11.9
2014	1,056,796	6,193	836.5	330.9	6,492	\$20.6	\$37.6	\$29,077	2.2	4.2	5.9	12.0
2015	1,076,553	6,169	842.4	337.1	6,432	\$21.7	\$39.5	\$29,270	2.4	4.2	6.1	12.1
2016	1,096,308	6,143	846.7	343.2	6,425	\$22.9	\$41.5	\$29,451	2.5	4.2	6.3	12.1
2017	1,116,087	6,187	849.9	349.4	6,367	\$24.1	\$43.5	\$29,534	2.6	4.0	6.4	12.3
2018	1,136,054	6,428	852.2	355.5	6,468	\$25.4	\$45.7	\$29,794	2.4	4.2	6.6	12.3
2019	1,156,024	6,504	854.1	361.6	6,662	\$26.7	\$48.0	\$30,029	2.4	4.2	6.8	12.3
2020	1,175,790	6,382	855.8	368.0	6,635	\$28.1	\$50.2	\$30,155	2.3	4.1	7.0	12.3
2021	1,195,322	6,220	859.0	374.3	6,453	\$29.4	\$52.4	\$30,263	2.3	4.0	7.2	12.2
2022	1,214,827	6,257	864.6	380.5	6,406	\$30.9	\$55.0	\$30,518	2.4	4.1	7.2	12.2
2023	1,234,358	6,327	872.8	386.6	6,567	\$32.5	\$57.7	\$30,787	2.3	3.9	7.2	12.2
2024	1,253,949	6,404	884.0	392.9	6,594	\$34.2	\$60.5	\$31,107	2.2	4.0	7.1	12.2
2025	1,273,525	6,381	897.2	399.2	6,642	\$36.0	\$63.4	\$31,437	2.2	4.0	7.0	12.2
2026	1,293,110	6,355	912.2	405.6	6,620	\$37.8	\$66.3	\$31,645	2.3	4.0	7.0	12.1
2027	1,312,779	6,380	928.8	411.9	6,633	\$39.6	\$69.1	\$31,760	2.3	4.0	7.0	12.1
2028	1,332,514	6,373	946.8	418.2	6,514	\$41.5	\$72.1	\$31,851	2.5	3.9	7.1	12.1
2029	1,352,297	6,339	965.9	424.4	6,368	\$43.4	\$75.3	\$31,943	2.5	4.1	7.2	12.1
2030	1,372,144	6,315	985.8	430.5	6,313	\$45.3	\$78.5	\$32,025	2.5	4.1	7.3	12.1



Fresno County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	310.1	60.31	11.9	26.5	8.9	41.8	12.8	22.2	4.8	30.2	22.2	58.2
1998	312.2	58.65	13.4	27.1	8.5	42.4	12.7	23.2	4.8	30.0	22.1	59.1
1999	318.4	56.32	14.8	27.2	8.7	43.3	13.2	24.0	4.8	30.8	23.0	61.8
2000	326.2	55.58	15.1	27.6	9.1	44.1	13.4	25.5	5.0	30.6	24.3	65.1
2001	324.6	48.65	15.9	27.2	9.2	44.7	14.1	23.5	5.1	32.5	24.5	67.6
2002	328.5	46.57	16.9	26.9	9.4	45.4	14.1	25.2	4.7	33.9	24.2	69.1
2003	328.8	46.18	18.1	27.1	9.6	46.3	13.7	26.4	4.2	34.9	23.6	67.6
2004	332.9	45.97	19.9	27.5	9.6	46.2	13.9	27.7	4.6	35.8	24.3	66.6
2005	338.2	45.43	21.5	26.9	9.4	47.3	14.5	28.8	4.4	36.5	25.6	67.1
2006	343.1	43.79	22.1	27.0	9.4	48.2	14.7	30.0	4.5	37.3	26.6	68.7
2007	347.4	42.39	22.4	27.0	9.5	49.1	14.9	30.7	4.5	38.0	27.6	70.1
2008	350.5	40.58	22.1	27.0	9.6	50.0	14.9	31.4	4.5	38.8	28.7	71.5
2009	356.3	39.71	22.7	26.8	9.7	51.0	14.9	32.0	4.6	39.6	29.6	73.9
2010	361.6	39.15	22.6	26.6	9.8	51.9	15.0	32.8	4.7	40.4	30.4	76.2
2011	366.5	38.52	22.3	26.5	10.0	52.9	15.1	33.8	4.7	41.2	31.3	78.0
2012	371.8	38.33	22.1	26.3	10.2	54.0	15.1	34.8	4.8	41.9	32.1	79.7
2013	377.0	38.45	21.8	26.0	10.4	55.0	15.1	35.7	4.8	42.7	32.9	81.3
2014	381.5	38.44	21.2	25.8	10.5	56.0	15.1	36.6	4.8	43.4	33.8	82.7
2015	385.9	38.46	20.6	25.6	10.7	57.0	15.1	37.2	4.9	44.2	34.5	84.1
2016	390.2	38.50	20.2	25.5	10.9	57.9	15.1	37.8	4.9	44.9	35.2	85.6
2017	394.0	38.14	19.7	25.4	11.0	58.9	15.1	38.2	4.9	45.5	35.8	87.2
2018	399.8	38.60	20.0	25.3	11.2	59.9	15.1	38.6	5.0	46.2	36.5	89.0
2019	405.5	39.07	20.2	25.2	11.3	60.8	15.2	39.1	5.0	46.9	36.9	90.9
2020	410.2	39.42	20.1	25.2	11.5	61.8	15.2	39.5	5.0	47.5	37.4	92.5
2021	414.5	39.40	19.9	25.2	11.7	62.7	15.2	39.9	5.0	48.1	37.7	94.1
2022	419.6	39.65	19.8	25.1	11.8	63.6	15.3	40.4	5.1	48.7	38.2	96.0
2023	424.8	39.96	19.8	25.1	12.0	64.5	15.3	40.8	5.1	49.3	38.7	97.8
2024	430.1	40.51	19.8	25.1	12.1	65.4	15.4	41.2	5.1	49.8	39.3	99.5
2025	435.2	40.82	19.8	25.1	12.3	66.3	15.4	41.6	5.2	50.4	40.1	100.9
2026	440.3	41.11	20.0	25.2	12.5	67.2	15.5	42.0	5.3	51.0	40.8	102.2
2027	445.4	41.38	20.3	25.2	12.7	68.0	15.6	42.5	5.3	51.5	41.6	103.6
2028	450.3	41.47	20.5	25.3	12.9	68.9	15.6	42.9	5.4	52.0	42.3	105.0
2029	455.4	41.94	20.6	25.3	13.0	69.7	15.6	43.3	5.4	52.5	42.9	106.4
2030	460.3	42.33	20.7	25.3	13.2	70.5	15.7	43.6	5.5	53.1	43.6	107.9

